

ROUTING

Top Secret 231

(Security Classification)

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NATIONAL INTELLIGENCE DAILY CABLE

Friday June 18, 1976

CI NIDC 76-143C

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NATIONAL SECURITY INFORMATION
Unauthorized Disclosure Subject to Criminal Sanctions

State Dept. review completed

Top Secret

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National Intelligence Daily Cable for Friday June 18, 1976

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[REDACTED]
[REDACTED] The NID Cable is for the purpose of informing senior US officials.

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LEBANON

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[REDACTED] The joint leadership of the major Palestinian and Lebanese leftist groups announced yesterday that the suspected assassins of Ambassador Meloy and Counselor Waring have been arrested, presumably by Palestinian security forces. The statement did not identify the killers, but said they will be turned over to the joint Arab security force that is to be created by the Arab League to help police a cease-fire in Lebanon.

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[REDACTED] Several reports have suggested the killers may have been members of the extreme leftist Lebanese Revolutionary Socialist Organization. //This group has close ties to and is believed to have mounted joint criminal and terrorist operations with the radical fedayeen Popular Front for the Liberation of Palestine and with small Lebanese Communist groups.//

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[REDACTED] These groups have on several occasions attacked US installations and personnel in Beirut and Damascus. Although they have sometimes sought sanctuary in Palestinian refugee camps, they operate outside the control and often against the interests of the major Palestinian and leftist organizations.

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[] These Lebanese and Palestinian extremists are the most rabid opponents of Syria and the US, both in Lebanon and on wider Middle East issues. They are also at odds with Palestinian and leftist groups willing to negotiate a settlement of the Lebanese crisis. The extremists are therefore eager to derail even the limited progress that has been made toward ending the current Palestinian-Syrian confrontation.

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[] The assassinations have had a sobering effect on all of the principal combatants, which has probably contributed to a de facto cease-fire in virtually all areas of the country. Even before the murders, however, an uneasy calm had begun to take hold, apparently as a result of Libyan Prime Minister Jallud's mediation effort and a general weakening of Palestinian and leftist resistance to Syrian military pressure.

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[] //In recent talks with US officials, Syrian chief of staff Shihabi expressed confidence in Syria's control over the military situation. He confirmed that Syrian troops have secured virtually the entire Bekaa Valley, noting that Syrian forces along the Damascus-Beirut highway have moved as far west as Bhamdoun.//

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[] //Shihabi said there were no plans to move any closer to Beirut and that he would personally recommend against such a move.//

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[] //According to Shihabi, Syrian and Christian forces have totally surrounded Tripoli. The Syrian blockade of Sidon is apparently less complete, but Syrian troops are in a position to interdict movement in the port and to control traffic along the coastal road.//

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[] //Shihabi's comments left an impression of Syrian resolve to use its military advantage to enforce a settlement, although he gave no indications of Damascus' next move.//

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[] //The Syrians appear to have the choice of either maintaining their current stranglehold on Palestinian and leftist positions and waiting for their adversaries' submission to Syrian terms or pressing for a more decisive military victory. The Syrians will take no dramatic action until President Asad returns from his European visit this weekend.//

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25X1 [REDACTED] //Although recent pleas from the Palestinians and leftists suggest that they are in a desperate mood, we have no clear reading on their intentions. Yasir Arafat's absence from Lebanon since late May has probably caused some uncertainty in Palestinian ranks; however, his subordinates have generally been more eager than he to confront the Syrians.//

25X1 [REDACTED] Arafat--who may not be fully aware of the precarious position of his forces--is seeking aid from a variety of Arab capitals and will probably not come to his own decision until he determines the amount of outside assistance he can muster.

25X1 [REDACTED] //The Palestinians can expect no immediate relief from the proposed Arab League security force. [REDACTED] 25X1

25X1 [REDACTED]

25X1 [REDACTED] Lebanese Christians warned again yesterday that they would not accept Algerian or Libyan troops in Lebanon, and if defied would call for outside intervention.

25X1 [REDACTED] //President Franjiyah--sensing that pressure for his resignation may soon be renewed--announced Wednesday that he was giving Interior Minister Shamun the foreign ministry portfolio.//

25X1 [REDACTED] //Although the move was intended in large part to demonstrate Franjiyah's hold on presidential powers, it may also be a prelude to Christian efforts to "internationalize" the crisis. Franjiyah and Shamun have been seeking outside help for months and may now want to take more formal diplomatic action.//

25X1 [REDACTED] //Of all the Christian leaders, Franjiyah and Shamun have been the most intransigent and the most willing to pursue a military solution to their dilemma.// [REDACTED] 25X1

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PHILIPPINES

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[REDACTED] //The Philippine government's opening bid in negotiations on the status of US military bases reflects President Marcos' more nationalistic posture in foreign policy. He apparently intends to press for an agreement that will give him the option to phase out the US military presence within the next ten years.//

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[REDACTED] //The Philippine draft agreement presented on Monday imposes highly restrictive limitations on operational, logistic, and administrative activities of US forces. It would confine US forces to the use of Clark Air Base and Subic Bay naval station and require the US to relinquish all other installations in the Philippines.//

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[REDACTED] //Prior approval of Philippine base commanders would be required for most US flights, routine exercises, and port calls. US combat operations would also require prior approval and nuclear and toxic chemical warfare weapons would be prohibited.//

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[REDACTED] //The draft agreement also vests broad authority in Philippine base commanders and circumscribes the authority of US commanders over US military and civilian personnel and equipment by requiring that US activities conform to Philippine laws and regulations.//

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[REDACTED] //Philippine negotiators have not yet specified the total amount of US security assistance they will demand, but the draft agreement calls for defense support to be distributed over five years, including an unprecedented cash payment. The draft also appears designed to terminate US statutory and contractual restrictions on the use of military equipment transferred to the Philippines under earlier assistance programs.//

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[REDACTED] //The Philippine proposals would limit the new base agreement to a term of five years, with provision for extension for only one additional term of five years. Either party could terminate the agreement upon written notice of one year. The present base agreement expires in 1991.//

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[] //Some of the highly restrictive limitations almost certainly were inserted for bargaining purposes, and the Filipinos apparently are prepared for protracted negotiations. President Marcos is anxious to secure increased US financial and material support for his armed forces and defense industries, and he is unlikely to press his more extreme demands to the point of jeopardizing the achievement of these objectives.//

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[] //Marcos probably will insist, however, that the final agreement contain language that will validate his claim to complete "sovereignty" and jurisdiction over military bases used by US forces and will recognize the superior authority of Philippine base commanders.//

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[] //In responding to post-Vietnam trends in East Asia, Marcos is moving toward assigning higher priority to alignment with his partners in the Association of Southeast Asian Nations than to maintaining the traditional political and military relationship with the US. Marcos defined his new priorities in his independence day message on June 12, citing a "new dimension to our independence" that will emphasize "freedom" in foreign relations as well as in internal affairs.//

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[] //He specifically noted that both the "new nations" and the communist powers have questioned the Philippines' independence because of its "close collaboration" with the US.//

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[] //In his June 12 speech Marcos disavowed any intention to "embark on a rash course of complete self-reliance in defense." He emphasized, however, that the Philippine position will be based on the principle that "sovereignty and extraterritoriality are non-negotiable issues." []

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CUBA-BARBADOS-AFRICA

25X1 [REDACTED] Barring last minute hitches, Cuba will begin regular air service between Havana and Luanda on June 29, with intermediate stops at Barbados, Guinea, and Sierra Leone. The flights may replace those now being made by Aeroflot IL-62s between Havana and Luanda via Conakry twice weekly.

25X1 [REDACTED] A recent Barbados press account said there would be two flights weekly, departing Havana on Tuesdays and Fridays. The Cubans will use Bristol Britannia aircraft, with a seating capacity of about 100, instead of the larger DC-8s acquired earlier this year from Canada.

25X1 [REDACTED] The leasing agreement for the DC-8s included a restriction that they be used only for civilian purposes, and the Luanda flights will almost certainly involve military as well as civilian passengers and cargo.

25X1 [REDACTED]

25X1 [REDACTED] The reasons behind Prime Minister Barrow's agreement to permit use of Barbados as a stopover are not clear. Barrow came under fire last year when Cuba's use of Barbados as a refueling stop for flights carrying troops to Angola became public. This latest act if it is turned into a campaign issue probably will add to the problems the Prime Minister and his party face in the national election that must be held by December.

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SOUTH YEMEN - IRAQ

25X1 [REDACTED] Relations between the leftist governments in South Yemen and Iraq, until recently close, have deteriorated sharply //amidst indications that Aden believes it has been the target of subversive activity by Baghdad.//

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[] The dispute surfaced earlier this month when Iraq publicly criticized South Yemen's rulers for adopting a law prohibiting contact between South Yemenis and foreign nationals, including other Arabs.

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[] Aden responded by accusing Baghdad in a newspaper editorial of using diplomatic cover to contrive plots, train spies, and buy agents. In addition, the South Yemenis charged the Iraqis with abandoning Arab rights by concluding agreements with the Shah of Iran.

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[] According to reports reaching the US embassy in North Yemen, members of the Iraqi educational mission in South Yemen have been accused of inciting their students to demonstrate against Aden's recent normalization of relations with Saudi Arabia.

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[] //Several other South Yemeni policy actions may have contributed to the tension between the two governments, although these so far have not been mentioned in propaganda from Baghdad.//

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[] //Aden's leaders, for example, have recently prohibited Eritrean separatists from using Aden as a transshipment point for weapons destined for the rebellion in Ethiopia; Baghdad is an important backer of the Eritreans.//

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[] //Iraq may also be expressing displeasure over South Yemen's apparent accession to demands by the Saudis that Aden wind down support of the leftist rebels in Oman as part of the price for a Saudi - South Yemeni accord.//

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[] A break in diplomatic relations between Aden and Baghdad, should it come to that, would not have much impact on either side. The economically hard-pressed South Yemenis have received limited financial aid from Baghdad, but their new ties with Riyadh should provide an alternative.

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SOUTH AFRICA

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[REDACTED] Rioting in Soweto spread at least briefly last night to Kagiso, another all-black township near Johannesburg. After two days of racial violence--the worst in South Africa since the Sharpsville "massacre" in 1960--at least 50 are dead and more than 250 have been injured.

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[REDACTED] South African authorities say they have the situation in Kagiso well under control, but they have not yet been able to restore order in the sprawling Soweto ghetto. Thus far, police have arrested over 100 rioters as well as some locally prominent black leaders.

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[REDACTED] The government's handling of the rioting has drawn predictably sharp criticism from the South African English language press. UN Secretary General Waldheim issued a statement yesterday criticizing the South African government and calling for an end to its policy of apartheid.

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[REDACTED] Government officials have ordered a special investigation to look into the disturbances. The riots were sparked by opposition to the government's policy of insisting on the use of the Afrikaans language in all-black schools. Emotions are running high, and further incidents may occur in other urban areas.

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[REDACTED] The riots are certain to embarrass the South African government and may make it difficult for Prime Minister Vorster to appear as conciliatory in his discussions with Secretary Kissinger next week as he would like. [REDACTED]

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USSR

[] The sixth Soviet Writers' Congress will convene on Monday in Moscow. Some 600 delegates representing 8,000 writers will be present. The congress, meets at five-year intervals; this one may define more clearly the direction of Soviet cultural policy and the limitations of Soviet political and social comment under new party secretary Zimyanin.

[] At the Soviet party congress in March, Zimyanin was named to the post left vacant by Petr Demichev's earlier demotion to minister of culture. For more than 10 years, Zimyanin had served as chief editor of *Pravda* as well as chairman of the Union of Journalists. The leadership's failure to replace Demichev more rapidly resulted in an ad hoc approach to intellectual matters characterized by arbitrariness and frequent but inconsistent reprisals.

25X1 [REDACTED] In recent months, there has been fragmentary evidence that thought is being given to granting writers more flexibility. The controversial writer Vasily Shukshin posthumously received the Lenin Prize, the country's top cultural award, in late April.

25X1 [REDACTED] Bulat Okudzhava, a poet and song-writer whose satirical works have won wide popularity, has reportedly been permitted to hold public concerts after a long period of silence. A surrealistic story by Vasily Aksenov was published in the Soviets' Literary Gazette.

25X1 [REDACTED] Probably most significant is the publication of Yury Trifonov's House on the Embankment, a book carrying the message that passiveness pays off, now as under Joseph Stalin.⁷

25X1 [REDACTED] Trifonov implies that the main character, in furthering his own career through opportunism, fear, and rationalization, is representative of many Soviet intellectuals in both the Stalin era and the present day. [REDACTED] 25X1

EUROPEAN COMMUNISTS

25X1 [REDACTED] Efforts to draft a final document for the European communist party conference were postponed late last Friday when an editorial commission meeting in East Berlin adjourned. The preparatory phase was to have completed arrangements for the long-delayed conference.

25X1 [REDACTED] The adjournment--which will reportedly last 10 to 15 days--is intended to give individual party leaders a chance to review progress and to conduct bilateral discussions on unresolved issues.

25X1 [REDACTED] Italian and Yugoslav delegates say that some "fundamental" substantive issues are not yet resolved. They have nonetheless suggested that there is still a chance that a "consensus" can be achieved.

25X1 [REDACTED] Whatever concessions the Soviets may have made before the East Berlin session to placate the Romanians and Yugoslavs, they were not adequate for the other independent-minded parties there.

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[] This was probably the reason for the adjournment. The Romanians are now also saying that Moscow has reneged on a definition of "proletarian internationalism"--a euphemism for Soviet domination of the movement--which was arranged in prior bilateral talks with Moscow.

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[] The leading independents will probably use the interruption to press Moscow for further modification of the document.

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[] To head off such pressure for changes, the Soviets, on the final day of talks in East Berlin, published an article in *New Times* designed to answer their critics. The article denied any intent to dominate the movement but implied that the Western communists were falling for a "bourgeois trap" in advocating a form of communism different from that in the East.

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[] Responses from the French and Italian parties indicate continuing worries about Moscow's assurances. []

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USSR

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[] Recent reports from Soviet Georgia indicate that the situation there remains unsettled. Acts of arson and bombing continue and are evidently the work of criminals angered by the ruthless, three-year crackdown by party boss Shevardnadze on the corruption and graft that flourished under his predecessor.

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[] An American correspondent, recently returned from a week in Tbilisi, was told by local contacts that since the crackdown got under way, there had been some 250 acts of sabotage starting with the widely reported burning of the Tbilisi opera house in May 1973.

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[] Shevardnadze's inability to end the acts of sabotage seems now compounded by a quarrel with Georgian intellectuals. As long as Shevardnadze concentrated on the problem of economic crime and avoided a direct assault on Georgian nationalism, he appeared to have a measure of public support and the backing of Georgian intellectuals. As late as the fall of last year, []

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[] the intellectual community was still generally satisfied with Shevardnadze's leadership.

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25X1 [] The clean-up campaign did not bring improvements in the economy, however, and now a series of Russification measures reportedly has the Georgian intellectual community in an uproar.

25X1 [] The American correspondent found evidence of considerable nationalist ferment. He ascribed this to recent Russification measures in education. All books used in higher and secondary education reportedly must now be approved in Moscow; since January, all candidates for higher degrees must submit their theses in Russian as well as in Georgian.

25X1 [] The correspondent was told of an open flare-up at the Georgian writers' congress two months ago. In a sharp attack on Russification, a prominent local writer quoted Lenin on correct nationality policy, asserted that Soviet Minister of Higher Education Yelyutin should be tried for crimes against the national constitution, and boasted that Georgian students are able to read Georgian texts from the sixth century--before the Russian language existed.

25X1 [] These remarks were accompanied by wild applause from the audience. The Georgian minister of education was subsequently prevented from speaking by the hooting writers, and Shevardnadze himself was given a hearing only when he made it clear that he would not be driven from the platform.

25X1 [] Shevardnadze's influence appears to be at an all-time low, and for the first time questions are being raised in Georgia about his ability to continue in office.

25X1 [] The republic's party chief's problems are Moscow's problems. While they are local in nature- [] 25X1
25X1 [] they are potential sources of considerable embarrassment to the regime in Moscow. [] 25X1

JAMAICA

25X1 [] Jamaica's ailing economy received a major boost last week at a meeting of the four Commonwealth leaders in the Caribbean when Prime Minister Eric Williams of Trinidad and Tobago promised generous financial support. Jamaica's Prime Minister

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Michael Manley, however, was less successful in achieving his political goals. He was unable, for example, to persuade Williams to endorse charges that the US is engaging in a campaign of "destabilization" in the Caribbean.

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[] At the meeting, Trinidad pledged budgetary and balance-of-payments aid to Jamaica of \$77 million over the next five months. Barbados will provide \$7 million in support, and Guyana will extend credit worth about \$3 million. The aid provided by Trinidad and Barbados will be at the 8.85-percent interest rate charged by the World Bank.

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[] The aid package will do much to alleviate Jamaica's balance-of-payments problems and will provide Manley with greater room for maneuver as he prepares for a national election, which it now appears will be held late this summer. Earlier estimates had been that Jamaica would have a \$50 million deficit in 1976. Although reserves will increase by an estimated \$20 million this year, import restrictions adopted in March, together with other adverse factors, including a decrease in sugar and bauxite production, will contribute to a likely 5-percent decline in real gross national product.

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[] Steps were also taken at the meeting to increase regional economic cooperation, a policy long advocated by Williams. The four states agreed to "evolve without delay" a common protective trade policy and to expand regional trade in fertilizers, cement, automobiles, and consumer goods. Jamaica agreed to give import priority to motor vehicles assembled in Trinidad. Some progress was made toward the establishment of a regional air carrier, which presumably would be dominated by Trinidad's British West Indian Airways.

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[] The communique issued after the meeting did not address charges by Manley, Burnham of Guyana, and Barrow of Barbados that the US has attempted to "destabilize" their governments. It did call for concerted action to reduce the vulnerability of the region to external pressures and to affirm that stabilization of the region is the paramount objective of the Commonwealth members in the Caribbean. This perfunctory treatment of the charges owed much to Williams, who has resisted pressures to identify Trinidad with the more radical views of his Commonwealth partners.

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[redacted] Manley has not been dissuaded from accusing the US of trying to upset his government. On Sunday, in preparation for the showing of an anti-CIA film in his constituency, he taped an introduction to the movie in which he insinuated that the CIA was interfering in Jamaica's internal affairs. Foreign Minister Dudley Thompson and other government officials, as well as the ruling party's newspaper, have been even more direct in their charges. [redacted]

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PORTUGAL

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[redacted] Following a recent poll which showed Eanes with a wide lead, Azevedo denounced his opponent as "dangerous" and said that a vote for Eanes, whose political views remain somewhat obscure, "would be like writing a blank check."

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[redacted] One of Azevedo's close associates told US embassy officials that the attack was calculated to provoke an ill-considered response from Eanes, but the gambit appears to have failed.

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[redacted] Such concessions in exchange for an Azevedo endorsement would probably assure Eanes' election. While Eanes' refusal can be viewed as a measure of his confidence in an election victory, it also probably precludes an important post-election role for Azevedo, whose political leanings Eanes reportedly finds suspect.

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[redacted] Meanwhile, an Eanes campaign trip to the Azores has triggered a flare-up by separatist groups. On the main island of Sao Miguel early Wednesday a crowd of several hundred angry youths threw a small bomb and shouted for a referendum on autonomy.

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[] The demonstration, probably the work of the independence-minded Azorean Liberation Front, seemed less a personal attack on the candidate than a protest over Lisbon's delay in satisfying the islanders' aspirations for broad autonomy.

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[] Although the majority of Azoreans probably still prefer autonomy to outright independence, extremists appear to be serving notice that they consider prompt action on the autonomy demands the first order of business for the new government.

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[] Eanes also encountered some difficulty yesterday as he campaigned in the southern part of Portugal. Supporters of another candidate, the former security chief Otelo de Carvalho, clashed with Eanes' backers in several towns. In Evora, some of Carvalho's supporters attempted to storm a car in which Eanes was riding. During the subsequent melee, six people were wounded and one reportedly was killed. []

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CIPEC

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[] Failure of the members of the Intergovernmental Council of Copper Exporting Countries to extend the 15 percent production cutback due to expire on June 30 is likely to have only marginal impact on world copper markets. Traders on the London Metal Exchange reportedly have already discounted the news, and prices by major copper producers are unlikely to be lowered.

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[] The cutback in both production and sales instituted by Council members in late 1974 failed to reach its goals. In 1975, a production cutback of 215,000 tons represented only 8 percent of output by Council members and only 4 percent of production in non-communist countries.

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[] The cutback failed to halt the decline in copper prices in the face of a 16-percent drop in demand in the non-communist countries. A return to full production in the second half of this year may have a depressing influence on prices. Earnings by the developing countries, however, should be boosted by more sales and higher average prices than prevailed a year ago. Major producers, such as Chile, thus do not want to restrict copper output.

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